



United States Department of the Interior

GEOLOGICAL SURVEY

P. O. Box 26124

Albuquerque, New Mexico 87125

January 14, 1981

Mr. George Warnock
President
Todilto Exploration and Development Corp.
3810 Academy Parkway South, N.E.
Albuquerque, New Mexico 87109

Dear Mr. Warnock:

Your Addendum 3 to the Interim Mining Plan for Navajo Allotted Mining Lease NOO-C-14-20-8396 is approved pursuant to the following conditions and requirements:

1. This office reserves the right to require any mine plan changes deemed necessary to eliminate or mitigate any unforeseen adverse environmental effects caused by this project.
2. Any changes or modifications of Addendum 3 to the Interim Mining Plan must be approved by the Mining Supervisor prior to implementation.
3. No waste dumps or ore stockpiles will be placed on the lease surface without written approval from the Mining Supervisor.
4. The underground mining operations will not proceed more than 800 feet south and 500 feet east from the point of underground entry into lease -8396. The operations will not be extended beyond these limits without approval of the Mining Supervisor.
5. The underground mining operations may proceed northward to the northern lease boundary line and eastward to the eastern lease boundary line from any point north of 1400 N, provided that the eastern lease boundary pillar is not breached (50 foot boundary pillar per 30 CFR 231.32). The operations will not be extended beyond these limits without approval of the Mining Supervisor.

6. Pillar extraction will not commence until authorized by the Mining Supervisor. Prior to authorization, the lessee will submit the results of all completed exploration to demonstrate that pillar extraction under Addendum 3 to the Interim Mining Plan will not interfere with, or prohibit recovery of other ore reserves.
7. The boundaries of lease -8396 will be adequately marked in all underground workings as appropriate.
8. Ore extracted from lease -8396 will be segregated from all other ore and will not be commingled with any other ore until final mill assays have been obtained. Monthly ore production from lease -8396 will be reported to the Mining Supervisor.
9. TEDCO will take any mitigative measures necessary to assure that the residents on the lease are not appreciably inconvenienced by underground mining operations, such as blasting.

Sincerely yours,

(ORIG. SGD.) DAVID R. SITZLER
David R. Sitzler
Mining Engineer
For the District Mining Supervisor

ADDENDUM 3 TO PROPOSED INTERIM MINING PLAN

Todilto Exploration and Development has now completed its initial drilling program of the SW $\frac{1}{4}$, Section 18, BIA Lease N00-C-14-20-8396. Based on the successful drilling results (see Engineering Data Sheet) of the East Zone and the development of extensive ore zones under Haystack on Section 13, Todilto requests approval of the following changes to its proposed interim mining plan (please refer to Map N00-C-14-20-8396-D-1):

1. The underground mining operations may proceed 800 feet south from the point of underground entry into the lease. This will ensure adequate development of the south portion of the East ore zone and permit us to examine the extent of old Federal workings in the area.
2. The underground mining operations may proceed north to the north boundary line from the point of entry into the lease, and to develop mine operations to the east boundary line from any point north of the 1400N. The above will permit adequate exploration of any ore extensions under Haystack, as done in your underground operations on Section 13.

These are the only requested changes from the Interim Mining Plan, and all other points, conditions and requirements will remain the same.